

## DOA Administrative Letter No. 02-10

To: Adult Day Care Providers and Coordinators, Adult Program Representatives, Area Agency on Aging Directors

From: Karen Gottovi

Subject: Adult Day Care Fees

Date: July 23, 2002

This administrative letter is being written in response to the charging of application and/or enrollment fees by some adult day care programs. An advisory memorandum issued by the Attorney General's office has informed us that this practice violates State and Federal cost sharing laws and regulations. These fees are not allowed to be charged to persons whose service costs are or will be reimbursed through state or federal funds (e.g. State Adult Day Care funds [SADCF] or Home and Community Care Block Grant Funds [HCCBG].)

Any cost sharing by the participants must follow the requirements established in the Older Americans Act and the N.C. Division of Aging and Division of Social Services (DSS) cost-sharing policies. Contributions towards the cost of the service must be voluntary in nature and services cannot be denied for failure to pay towards the cost of the service. It is the intent of the Older Americans Act and DSS policy that programs shall not establish "mandated fees" for services for participants whose care is being subsidized through government funds.

If the potential source of payment/reimbursement is unknown at the time of application and/or enrollment, any and all fees charged must be fully refunded when services begin, if the service is to be reimbursed from state or federal funds. At time of fee collection, a receipt must be given to the participant or participant's family stating this fee is "fully refundable if service is paid for with Home and Community Care Block Grant or State Adult Day Care funds."

Since the practice of charging such fees impacts previous fiscal years that have already been audited and closed, we are only requiring the return of any such fees that have been collected since the beginning of this fiscal year, July 1, 2002. Therefore, any and all fees collected since July 1<sup>st</sup> for participants receiving SADCF or HCCBG funding must immediately be returned to the individual who made the payment.

For questions, please contact Shannon Crane at 919-733-0440.

Sincerely,

Karen E. Gottovi, Director  
Division of Aging

cc: Lynda McDaniel  
John Tanner  
Suzanne Merrill  
Satana DeBerry